

# United States Senate

ARMED SERVICES  
HOMELAND SECURITY  
COMMERCE, SCIENCE, AND  
TRANSPORTATION  
BUDGET  
SPECIAL COMMITTEE  
ON AGING

March 24, 2021

Members of the Federal Open Market Committee  
Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, Northwest  
Washington, D.C. 20551

Dear Federal Open Market Committee (FOMC) Member:

The federal government has an obligation to spend taxpayer dollars wisely and in the best interest of American families. Since being elected to the United States Senate, I have been warning my colleagues and others about the dangers associated with America's rising and unsustainable debt. Now, with the passage of President Biden's "American Rescue Plan Act" this month, of which less than 10% is dedicated to actually fighting COVID-19, our debt is on track to reach \$30 trillion.

Last week, I sent a letter to Office of Management and Budget Acting Director Rob Fairweather urging the Biden Administration to protect American taxpayers and request the rescission of more than \$668 billion of wasteful and misguided funding included in the Democrats' massive and untargeted \$1.9 trillion "COVID" spending bill. We have to take action to protect American taxpayers.

America's debt crisis hurts our citizens in many ways, with the most immediate being a rise in inflation, which disproportionately hurts America's low and fixed-income families, like mine growing up. There are strong indications and projections from economists on both sides of the aisle that inflation will rise. When inflation rises, even marginally, the cost of goods goes up. That means families will pay more for daily necessities like gas and groceries. As American families recover from the economic impact of the COVID-19 pandemic, this action is especially harmful.

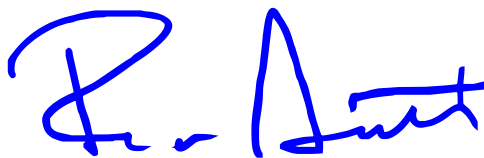
I have been clear on the need for immediate action and spending reform, yet my Democrat colleagues in Congress and the Biden Administration continue to blindly disregard this incredibly urgent matter. You are uniquely positioned to acknowledge and address America's growing crisis, so I write to ask:

1. Are you concerned about the risk rising inflation poses to our economy, and to small families and businesses across the nation?

2. We are already seeing gas prices skyrocket, and mortgage rates increase over the last few months. As a Board Member of the Federal Reserve, are you concerned that inflation will rise to levels that will drastically increase the cost of living for American families and make it harder to buy a home, purchase a new car, or take out a loan to start a business? What can be done to help these families?
3. The Federal Reserve has been purchasing a majority share of U.S. Treasuries, which are the most valuable savings bonds and securities on the planet. Why is the Federal Reserve purchasing such a large share of U.S. federal debt? What plans does the Federal Reserve have to right size its ownership of U.S. federal debt and deficits going forward?
4. By purchasing so many U.S. Treasuries, the Federal Reserve is enabling an unprecedented amount of deficit spending and borrowing by Congress. Does this truly reflect the mission and mandate of the Federal Reserve?
5. In 2008, the Federal Reserve took the unprecedented step of paying interest on reserves and continues to do so today. What plans are there to wind down this activist program and return to a more normalized monetary policy?
6. Have the actions of the Federal Reserve in the last 12 months undermined our currency's reputation and jeopardized the U.S. dollar's role in global financial markets?
7. How and when will the Federal Reserve begin to wind down and end its historic expansionary interventions into the markets from the past 12 months?

American families cannot afford for business as usual to continue in Washington. The massive federal debt and rising inflation have real impacts on the daily lives of Americans that warrant our immediate attention. I look forward to your response as we work to properly address America's debt crisis.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rick Scott", with a stylized, cursive script.

Rick Scott  
United States Senator